EXHIBIT 43

REDACTED

McKesson Corporation

Presentation to the U.S. Attorney's Office, Northern District of West Virginia and DEA

March 12, 2014

Confidential / Exempt from FOIA
For Settlement Purposes Only; Subject to Fed.R.Evid. 408

BUSINESS
CARE
CONNECTIVITY

AGENDA

- McKesson's Distribution Network
- McKesson's Regulatory Affairs Team
- Evolution of the CSMP Program in Light of DEA's Focus and the Growing Epidemic
- Next Steps

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

McKesson's Distribution Network

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

McKesson's Distribution Network

- 28 customer facing distribution centers; 2 redistribution hubs
- Service approximately 25,000 pharmacies daily
  - Retail
  - Mail order
  - Hospital
  - Government
- Process 1.2 million order lines per night– electronic transmission from the customer

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

MCKESSON

McKesson's Distribution Network

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

McKesson's Regulatory Affairs Team

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

McKesson's Regulatory Affairs Team
Pre-Settlement Discussions

- Don Walker, Senior Vice President Distribution Operations
- Bruce Russell, VP Regulatory Affairs
- Gary Hilliard, Director Regulatory Affairs

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

McKesson's Regulatory Affairs Team 2007-2012

- Don Walker, Senior Vice President, Distribution Operations
- Bruce Russell, Senior Vice President, Operations
- Gary Hilliard, Director of Regulatory Affairs
- Tracy Jonas, Director of Regulatory Affairs (12/07)
- Regional Directors of Regulatory Affairs:
  - Tom McDonald- West Region (02/09)
  - Dave Gustin- North Central Region (12/07)
  - Michael Oriente- North East Region (12/07)
  - Bill de Gutierrez-Mahoney- South Region (12/07)
  - Linda Martin (Former DEA Investigator) – South Region (09/12)
  - Joe Lumpkin – North East Region (08/12)

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

McKesson's Regulatory Affairs Team
Recent Additions

- Sr. Director Regulatory (East) - Gary Boggs (former DEA)
- Sr. Director Regulatory (West) - Lisa Young (former DEA)
- Sr. Director Regulatory (Nat'l Accts) - TBD
- Six Directors of Regulatory Affairs (three are former DEA)
- Two Analysts
- Ten Regulatory Affairs Managers
- Total full time resources - 30 employees

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

Evolution of the CSMP Program in Light of DEA's Focus and the Growing Epidemic

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

MCKESSON

2007: McKesson Launches LDMP

HYMAN, PHELPS & MCNAMARA, P.C.

5603.013.01

June 12, 2007

BY MESSENGER

Dear Mr. Barber:

I have attached some important information on the progress of McKesson's implementation of the Lifestyle Drug Monitoring Program. As I stated in our last conversation, McKesson has implemented this program "nationally" across its 30 distribution centers ("DC") throughout the country.

I have attached a copy of the following information:

- Amendment to the McKesson DC Operations Manual describing the standard operation procedures (SOPs) for the Lifestyle Drug Monitoring Program;
- PowerPoint presentation by Donald Walker, Senior Vice President of Distribution Operations, at McKesson's National Operations Conference in April 2007 (this included the entire distribution network leadership, managers and staff, 110 persons);

Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000001

2007: McKesson Launches LDMP

Confidential / Exempt from FOIA. Subject to FRE 408.

Lifestyle Drug Monitoring Program (LDMP)

MCKESSON
Empowering Healthcare

- Level 1
  - Daily Dosage Summary report
  - DU45
  - Contact customer
- Review
  - Approve Y/N
  - Document

- Level 2
  - Physically visit customer
  - Interview customer - questionnaire
  - Document
- Review
  - Approve Y/N

- Level 3
  - Review with regulatory dept
  - Contact local DEA
  - Review with Sr Mgt and Legal
  - Contact DEA headquarters
- Final Review

MCK_WVA_000017

September 19, 2007: Settlement Meeting

- Attendees for McKesson and DEA:
  - Don Walker and John Gilbert
  - Joe Rannazzisi, Linden Barber, Michael Mapes, Wayne Patrick and Gary Boggs
- Discussed revising suspicious order monitoring program
  - Prior DU-45 report
  - Modification to reports of excessive purchases
- Suspicious customers and the new focus: "Know your customer"

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

McKESSON

DU-45 Report

PROGRAM DU45L600 VER 003
DATE 05/02/08 TIME 15:36:20

MCKESSON CORPORATION
MONTHLY CONTROLLED SUBSTANCE SUSPICIOUS PURCHASE REPORT
SORTED BY DC, RETAIL ACCT MGR, GENERIC DESC
PERIOD ENDING 04/08

8813 PAGE 426
REPORT DU45R05B

ROUTE: 206 STOP: 005

FOUR SEASONS PHARMACY RAM # 076 CUST # 401687
300 MORRISON DRIVE
PRINCETON WV 24740
PHONE: 304-487-0015 DEA # BF6064769

DC 813 - MCKESSON DRUG LANDOV
7721 POLK AVE.
LANDOVER MD 20785
PHONE: 301-322-1100 DEA # PD0029567

DRUG ENFORCEMENT ADMINISTRATION
(ADDRESS) (CITY, STATE) (FAX NUMBER)

PURSUANT TO CFR21, S 1301.74(B), WE ARE SENDING A COPY OF THE MONTHLY CONTROLLED SUBSTANCE SUSPICIOUS PURCHASE REPORT FOR 04/08. THIS REPORT REFLECTS PURCHASES FROM CUSTOMERS FOR SCHEDULES II-V CONTROLLED SUBSTANCES WHICH EXCEED THE ITEM MONTHLY AVERAGE FOR THE CLASS OF TRADE. A LISTING OF THE PARAMETERS USED ARE AVAILABLE UPON REQUEST.

INVOICE #	INV. DATE	ITEM #	NDC NUMBER	SELLING DESCRIPTION	GENERIC DESCRIPTION	UNIT	QTY	SCH
56065	04/30/08	2793313	00591050305	HYDROCOD+AP TB 10/650 WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
47450	04/21/08	2793313	00591050305	HYDROCOD+AP TB 10/650 WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
96860	04/18/08	2793313	00591050305	HYDROCOD+AP TB 10/650 WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
51418	04/17/08	2793313	00591050305	HYDROCOD+AP TB 10/650 WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	4	III
32624	04/11/08	2793313	00591050305	HYDROCOD+AP TB 10/650 WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	2	III
38876	04/03/08	2793313	00591050305	HYDROCOD+AP TB 10/650 WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
97732	04/02/08	2793313	00591050305	HYDROCOD+AP TB 10/650 WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
					ITEM TOTAL :		11	
				ITEM MONTHLY AVG : 3.19174	FACTOR : 3.00 ITEM LIMIT :		9.57	

INVOICE #	INV. DATE	ITEM #	NDC NUMBER	SELLING DESCRIPTION	GENERIC DESCRIPTION	UNIT	QTY	SCH
38876	04/03/08	2793313	00591050305	HYDROCOD+AP TB 10/650 WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
97732	04/02/08	2793313	00591050305	HYDROCOD+AP TB 10/650 WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
					ITEM TOTAL :		11	
				ITEM MONTHLY AVG : 3.19174	FACTOR : 3.00 ITEM LIMIT :		9.57	

INVOICE #	INV. DATE	ITEM #	NDC NUMBER	SELLING DESCRIPTION	GENERIC DESCRIPTION	UNIT	QTY	SCH
56065	04/30/08	2793628	00591038505	HYDROCOD+AP TB 7.5/5C WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
99599	04/29/08	2793628	00591038505	HYDROCOD+AP TB 7.5/5C WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
94916	04/28/08	2793628	00591038505	HYDROCOD+AP TB 7.5/5C WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	2	III
94922	04/28/08	2793628	00591038505	HYDROCOD+AP TB 7.5/5C WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	2	III
47625	04/25/08	2793628	00591038505	HYDROCOD+AP TB 7.5/5C WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
63910	04/25/08	2793628	00591038505	HYDROCOD+AP TB 7.5/5C WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
01701	04/24/08	2793628	00591038505	HYDROCOD+AP TB 7.5/5C WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
59760	04/23/08	2793628	00591038505	HYDROCOD+AP TB 7.5/5C WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III
14969	04/22/08	2793628	00591038505	HYDROCOD+AP TB 7.5/5C WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	2	III
47450	04/21/08	2793628	00591038505	HYDROCOD+AP TB 7.5/5C WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	2	III
22749	04/18/08	2793628	00591038505	HYDROCOD+AP TB 7.5/5C WAT 500@	HYDROCODONE BIT/ACETAMINOPHEN	EA	1	III

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

MCKESSON

2008 Settlement Agreement

SETTLEMENT AND RELEASE AGREEMENT
AND
ADMINISTRATIVE MEMORANDUM OF AGREEMENT

This Settlement and Release Agreement and Administrative Memorandum of Agreement ("Agreement") is entered into on this 2nd day of May 2008, by and between the United States Department of Justice, Drug Enforcement Administration (hereinafter "DEA") and McKesson Corporation including facilities doing business as McKesson Pharmaceutical and McKesson Drug Company (hereinafter "McKesson") (each a "Party" and collectively the "Parties").

APPLICABILITY

This Agreement shall be applicable to McKesson and all McKesson DEA registered facilities as identified in Appendix A.

BACKGROUND

WHEREAS, on August 4, 2006, DEA, by its Deputy Assistant Administrator, Joseph T. Rannazzisi, issued an Order to Show Cause ("Order #1") to McKesson, with respect to its Lakeland distribution center located at 1515 West Bella Vista Street, Lakeland, Florida 33805 (the "Lakeland Facility"); and

WHEREAS, Order #1 alleged, among other things, that McKesson failed to maintain effective controls at the Lakeland Facility against diversion of particular controlled substances into other than legitimate medical, scientific and industrial channels by sales to certain customers of McKesson; and

WHEREAS, after service of Order #1 on McKesson, representatives of DEA and McKesson entered into discussions on how best to resolve the issues raised in the Order; and

WHEREAS, on November 1, 2007, DEA, by its Deputy Assistant Administrator, Joseph T. Rannazzisi, issued a second Order to Show Cause to McKesson ("Order #2," and "Orders" when jointly referring to Order #1 and Order #2), with respect to its Landover distribution center located at 7721 Polk Street, Landover, Maryland, 20785 (the "Landover Facility"); and

WHEREAS, Order #2 alleged, among other things, that McKesson failed to maintain effective controls at the Landover Facility against diversion of particular controlled substances into other than legitimate medical, scientific and industrial channels by sales to certain customers of McKesson; and

WHEREAS, DEA alleges that McKesson failed to maintain effective controls at its Conroe, Texas distribution center (the "Conroe Facility") against diversion of particular controlled substances into other than legitimate medical, scientific and industrial channels by sales to certain customers of McKesson; and

IN WITNESS WHEREOF, the Parties hereto have duly executed this Settlement and Release Agreement as of the date written above.

MCKESSON CORPORATION

By: _____
John H. Hammergren
President
McKesson Corporation

Dated: April 28, 2008

By: _____
Donald G. Walker
Senior Vice President
McKesson Corporation

Dated: April 30, 2008

THE UNITED STATES DEPARTMENT OF JUSTICE
DRUG ENFORCEMENT ADMINISTRATION

By: _____
Michele M. Leonhart
Acting Administrator
Drug Enforcement Administration

Dated: May 2, 2008

By: _____
Wendy H. Goggin
Chief Counsel
Drug Enforcement Administration

Dated: May 1, 2008

10

15

MCKESSON

2008 Settlement Agreement

otherwise constitute the basis for McKesson's compliance with recordkeeping and reporting

(c) McKesson shall inform DEA of suspicious orders as required by 21 C.F.R. § 1301.74(b) in a format mutually and reasonably agreed upon by the Parties, except that contrary to DEA regulations, McKesson shall inform DEA Headquarters rather than the local DEA Field Office of suspicious orders, unless and until advised otherwise in writing by DEA Headquarters. DEA agrees to notify all of the DEA Field Offices within 30 days of the Effective Date of this Agreement that McKesson will no longer be required to provide suspicious order reports or any other type of reports regarding excessive purchases of controlled substances to the DEA Field Offices and that this Agreement shall supersede any DEA regulatory requirements to report suspicious orders to DEA. The obligations contained in this paragraph shall be and remain in full force and effect from the Effective Date of this Agreement, and thereafter shall remain in full force and effect unless terminated and revoked by DEA with thirty (30) days written notice.

hydrocodone and alprazolam exceeded the thresholds established in its compliance program. McKesson shall conduct an investigation and take appropriate action as required by this Agreement, DEA regulations and other procedures established under McKesson's compliance program including its Controlled Substance Monitoring Program (CSMP).

(g) McKesson's policy and procedure is to cooperate with the government in any investigation. McKesson agrees to reasonably cooperate with DEA, the United States Attorneys' Offices, and any other Federal, state, or local law enforcement agency investigating or prosecuting McKesson's customers for alleged violations or activities related to the Covered Conduct unless such matters would affect the rights or obligations of McKesson in regard to any

4

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

MCKESSON

2008 Settlement Agreement

(e) Within 150 days of the Effective Date of this Agreement, but not earlier than 90 days after the Effective Date of this Agreement, DEA shall conduct reviews of the functionality of

(f) The Compliance Reviews will be deemed satisfactory unless DEA determines that one or more of the facilities being inspected has (i) failed to maintain effective controls against diversion regarding the distribution of any controlled substance; (ii) failed to detect and report to DEA suspicious orders of controlled substances; or (iii) failed to meaningfully investigate new or existing customers regarding the customer's legitimate need to order or purchase controlled substances. The Compliance Reviews shall be deemed "not satisfactory" if DEA provides written notice with specificity to McKesson on or before 165 days from the Effective Date of Agreement, stating that McKesson failed to meet any of the requirements in either subsections II.2(f)(i), (ii), or (iii) of this Agreement. DEA shall not find a Compliance Review "not satisfactory" unless the failure(s) are sufficient to provide DEA with a factual and legal basis for issuing an Order to Show Cause under 21 U.S.C. § 824(a) against one or more of the inspected facilities. In the event that DEA provides such written notice of a Compliance Review Failure(s), DEA shall meet and confer with McKesson within 48 hours regarding such a finding. DEA shall consider remedial measures that McKesson has instituted in determining whether the Compliance Reviews are satisfactory. A finding of "satisfactory" does not otherwise express DEA's approval of the compliance program implemented at any particular distribution center.

McKesson agrees to a new period of suspension of the drugs codes at such facility until the matter is resolved by mutual agreement of the Parties or a final decision by the DEA Deputy Administrator. Notwithstanding, nothing in this Agreement shall prevent the Parties from agreeing to an extension or shortening of the suspension period for these drugs codes at the Lakeland and Conroe Facilities at any time during the course of this Agreement. DEA shall not be prevented from taking any action that would otherwise be available to the agency to pursue a new period of suspension of the drug codes at these facilities.

6

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

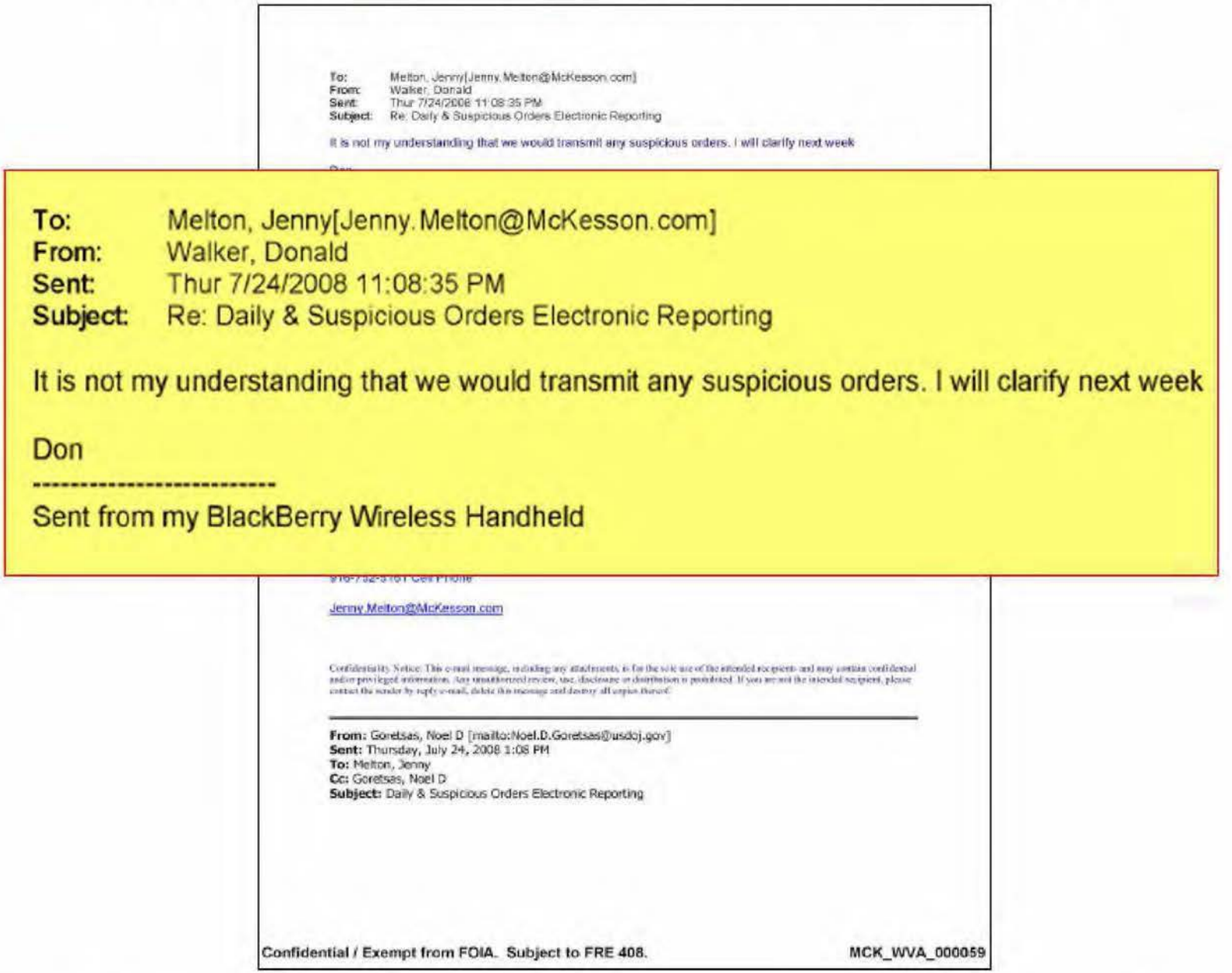
Development of Electronic Reporting System

- May 2, 2008: MOA signed
- June 2008: McKesson and DEA representatives began discussing development of electronic reporting system
- November 4, 2008: DEA provided detail on electronic reporting format for Suspicious Orders and Non-ARCOS data
- January 22, 2009: McKesson discontinued DU-45 in consultation with DEA

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

MCKESSON

Reporting Suspicious Customers



To: Melton, Jenny[Jenny.Melton@McKesson.com]
From: Walker, Donald
Sent: Thur 7/24/2008 11:08:35 PM
Subject: Re: Daily & Suspicious Orders Electronic Reporting

It is not my understanding that we would transmit any suspicious orders. I will clarify next week

Don

Sent from my BlackBerry Wireless Handheld

Jenny.Melton@McKesson.com

Confidentiality Notice: This e-mail message, including any attachments, is for the sole use of the intended recipient and may contain confidential and/or privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail, delete this message and destroy all copies thereof.

From: Goretsas, Noel D [mailto:Noel.D.Goretsas@usdoj.gov]
Sent: Thursday, July 24, 2008 1:08 PM
To: Melton, Jenny
Cc: Goretsas, Noel D
Subject: Daily & Suspicious Orders Electronic Reporting

Confidential / Exempt from FOIA. Subject to FRE 408. **MCK_WVA_000059**

July 31, 2008: Meeting with DEA

- Attendees for McKesson
  - Don Walker and John Gilbert
- Attendees for DEA
  - Maureen O'Keefe
  - Christopher Grush
  - Barbara Boockholdt
  - Kyle Wright
  - Jim Hambuechen
  - Frank Muero

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

MCKESSON
Empowering Healthcare

McKesson Pharmaceutical Controlled Substance Monitoring Program (CSMP)

DEA Discussion Document

July 31, 2008

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

MCKESSON
Empowering Healthcare

CSMP Components

I. Know the Customer – Establish thresholds

II. Monitor CS orders against thresholds

III. Block orders that exceed thresholds

IV. Review and escalation process

V. Suspicious order/sales reporting

VI. Analysis and reports

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

MCKESSON
Empowering Healthcare

CSMP Development History

April 2007

- Implemented Lifestyle Drug Monitoring Program
  - First use of dose units by base code
  - Track monthly sales
  - Review and document
  - Hydrocodone, Oxycodone, Alprazolam, Phentermine
- Created a three tier review process
  - Included customer visits and documentation
- Detected and reported suspicious pharmacies

September 2007

- DEA Meeting triggered new development – CSMP
- $1.5M in development costs

April 2008

- Launched CSMP
- Customer communications

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

CSMP
I. Establish Customer Thresholds

MCKESSON
Empowering Healthcare

- Established family codes
  - Default thresholds based on store volume
- Existing Customers
  - Analysis of 12 month purchase history
    - Set threshold if above family code default
    - Default if below
  - Conducting site visits to customers based on priority
    - Independents
    - Lifestyle Drugs
    - Dose units greater than 25K
  - Retail Chain – review with internal regulatory

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

CSMP
Establish Customer Thresholds Cont.

MCKESSON
Empowering Healthcare

- New Customers
  - Questionnaire – purchase history/business model
  - Regulatory Approval
- Adjusting Thresholds
  - Requires documentation
  - Regulatory approval
- Threshold Database
  - 15,000+ family codes/threshold baseline
  - Each customer threshold maintained in the customer master

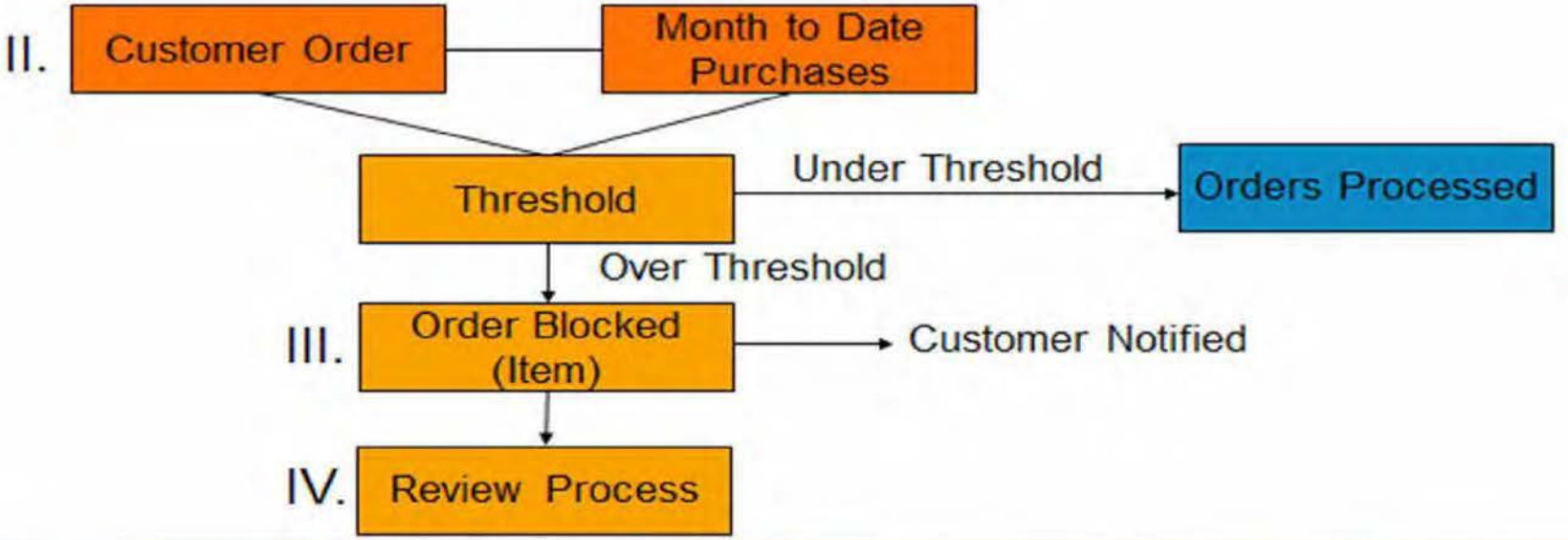
HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

CSMP
II. Monitoring Controlled Substances

MCKESSON
Empowering Healthcare

I. Customer Purchases Accumulated Monthly
- Dose units
- Base code



HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

CSMP
III. Blocking Orders

MCKESSON
Empowering Healthcare

- System Blocks Orders That Exceed Threshold
  - Specific to that base code
  - Specific to registrant
- No override
  - Requires change in threshold
  - Documented threshold change request required
- Customer Notification
  - Alert customer approaching threshold
  - Order entry systems alert customer
  - Invoice notifies customer
- Audit conducted
  - Since go live McKesson Internal Audit has conducted systems audit

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

CSMP
IV. Review and Escalation

MCKESSON
Empowering Healthcare

Order Blocked (Item)

↓

- Level I Review

Actions

- Direct contact customer
- Ascertain reason for exceeding
- Conduct analysis as required
  - Escalating purchase pattern
  - Drug Type
- Documentation

Outcome Alternatives

- No change in threshold item blocked
- Threshold adjusted
- Escalation to Level II

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

CSMP
IV. Review and Escalation Cont.

MCKESSON
Empowering Healthcare

Level II Review

Actions

- Conducted by Director of Regulatory Affairs
- Includes
  - Customer interview/site visit
    - Observations of DRA
    - Clientele
    - Customer traffic
    - Source of scripts
  - Local DEA input
  - Analysis of purchases
    - Increases

Outcome Alternatives

- Leave item blocked
- Adjust threshold
- Escalate to Level III

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

CSMP
IV. Review and Escalation Cont.

MCKESSON
Empowering Healthcare

Level III Review

- Escalated to SVP of Distribution and Region SVP
- Any customer escalated to Level III all controlled substances purchases blocked
- Reported to DEA as suspicious
- Review with McKesson Legal
- Provide DEA with data and findings

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

CSMP
V. Suspicious Order/Sales Reporting

MCKESSON
Empowering Healthcare

- McKesson is prepared to stop excessive purchases reporting to local field office
- Recent contact with DEA to determine format
  - Concern about format and process
- Need to create feedback process on those reported

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

July 31, 2008: Meeting with DEA

MCKESSON
Empowering Healthcare

Where We Need Your Help

- Suspicious Order Reporting
  - Process and format
- Investigative Support
  - Mechanism to discuss customers of interest
  - Feed back that does not compromise investigation
  - Mutually identifying "script mills"
- Forum to discuss trends
  - E.g. Internet vs. Pain Clinic

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

Example of a Suspicious Customer Report

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

MCKESSON

Suspicious Customer Report

-----Original Message-----
From: Walker, Donald [mailto:Donald.Walker@McKesson.com]
Sent: Thursday, August 14, 2008 1:26 PM
To: Wright, Kyle J.
Cc: O'Keefe, Maureen E.; John A. Gilbert; Trugman, Ina; de Gutierrez-Mahoney, Bill; Frost, Gary
Subject: Notification of Suspicious Customer

Registrant: Advanced Doctors Prescription Pharmacy San Antonio, TX DEA# FA 0408167

McKesson Pharmaceutical has identified the above registrant as a Suspicious Customer and effective 8/12/08 ceased selling all controlled substances to this registrant. During the months of June and July the registrant made attempts to increase Alprazolam purchases. Those purchased were blocked by the Controlled Substance Monitoring Program and held to the 8,000 dose unit level until the end of the respective months. In July the dose unit limit was reached mid-month. As part of our SOP we initiated our level 1 review resulting in a site visit on 8/6. During that site visit irregularities were noted which included noting that a large percentage of the registrant's Alprazolam sales were cash. We escalated to a level 2 and notified the local field office of our interest in this registrant. On 8/8 the pharmacist was arrested by State and Federal authorities for Medicaid Fraud which we became aware of on 8/11.

Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000088

DEA Inspections of Distribution Centers Pursuant to 2008 MOA

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

DEA Inspections of Distribution Centers

- 2008 MOA: DEA to conduct reviews of the "functionality" of McKesson's diversion compliance program at up to 8 DC's, including Landover, Lakeland and Conroe
- Compliance reviews deemed "satisfactory" unless:
  - Failed to maintain effective controls against diversion
  - Failed to detect and report to DEA suspicious orders
  - Failed to meaningfully investigate new or existing customers regarding the legitimate need to order controlled substances
- DEA inspected several facilities, including Landover
- During each inspection, DEA was told that McKesson would be reporting suspicious customers
- DEA determined McKesson's DC's were "satisfactory" per the MOA

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

DEA Inspections of Distribution Centers

To: Wright, Kyle J.[Kyle.J.Wright@usdoj.gov]
From: Walker, Donald
Sent: Wed 10/15/2008 7:52:14 PM
Subject: Document

Kyle this is the template document that our DC's are using for the inspection orientation and will be the document we would use in our proactive discussion format.

To: Wright, Kyle J.[Kyle.J.Wright@usdoj.gov]
From: Walker, Donald
Sent: Wed 10/15/2008 7:52:14 PM
Subject: Document

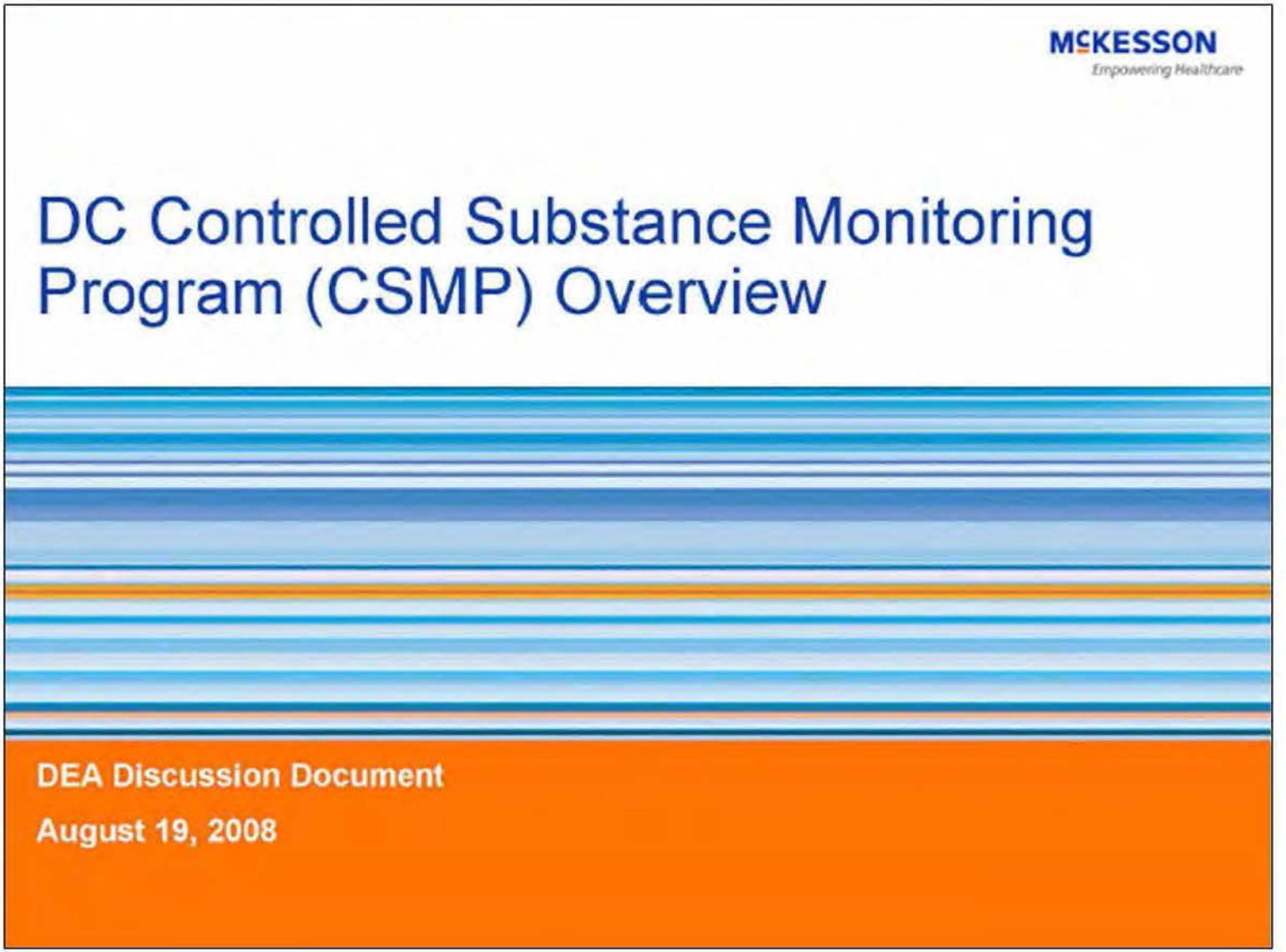
Kyle this is the template document that our DC's are using for the inspection orientation and will be the document we would use in our proactive discussion format.

Also I forgot to ask you. Can you update as to when we can stop sending the monthly excessive order reports to the field offices. From our meeting I was waiting until I heard from you before we stopped sending those piles of paper.

Don Walker

Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000123

DEA Inspections of Distribution Centers



HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

DEA Inspections of Distribution Centers

CSMP
IV. Review and Escalation

MCKESSON
Empowering Healthcare

Order Blocked (Item)

- Level I Review

Actions	*Outcome Alternatives*
– Direct contact customer – Ascertain reason for exceeding – Conduct analysis as required ▪ Escalating purchase pattern ▪ Drug Type – Documentation	– No change in threshold item blocked – Threshold adjusted – Escalation to Level II

2/10/2014 FOR INTERNAL USE ONLY/PROPRIETARY AND CONFIDENTIAL 10

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

DEA Inspections of Distribution Centers

CSMP
IV. Review and Escalation Cont.

MCKESSON
Empowering Healthcare

Level II Review

Actions

- Conducted by Director of Regulatory Affairs
- Includes
  - Customer interview/site visit
    - Observations of DRA
    - Clientele
    - Customer traffic
    - Source of scripts
  - Local DEA input
  - Analysis of purchases
    - Increases

Outcome Alternatives

- Leave item blocked
- Adjust threshold
- Escalate to Level III

2/10/2014 FOR INTERNAL USE ONLY/PROPRIETARY AND CONFIDENTIAL 11

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

DEA Inspections of Distribution Centers

CSMP
IV. Review and Escalation Cont.

MCKESSON
Empowering Healthcare

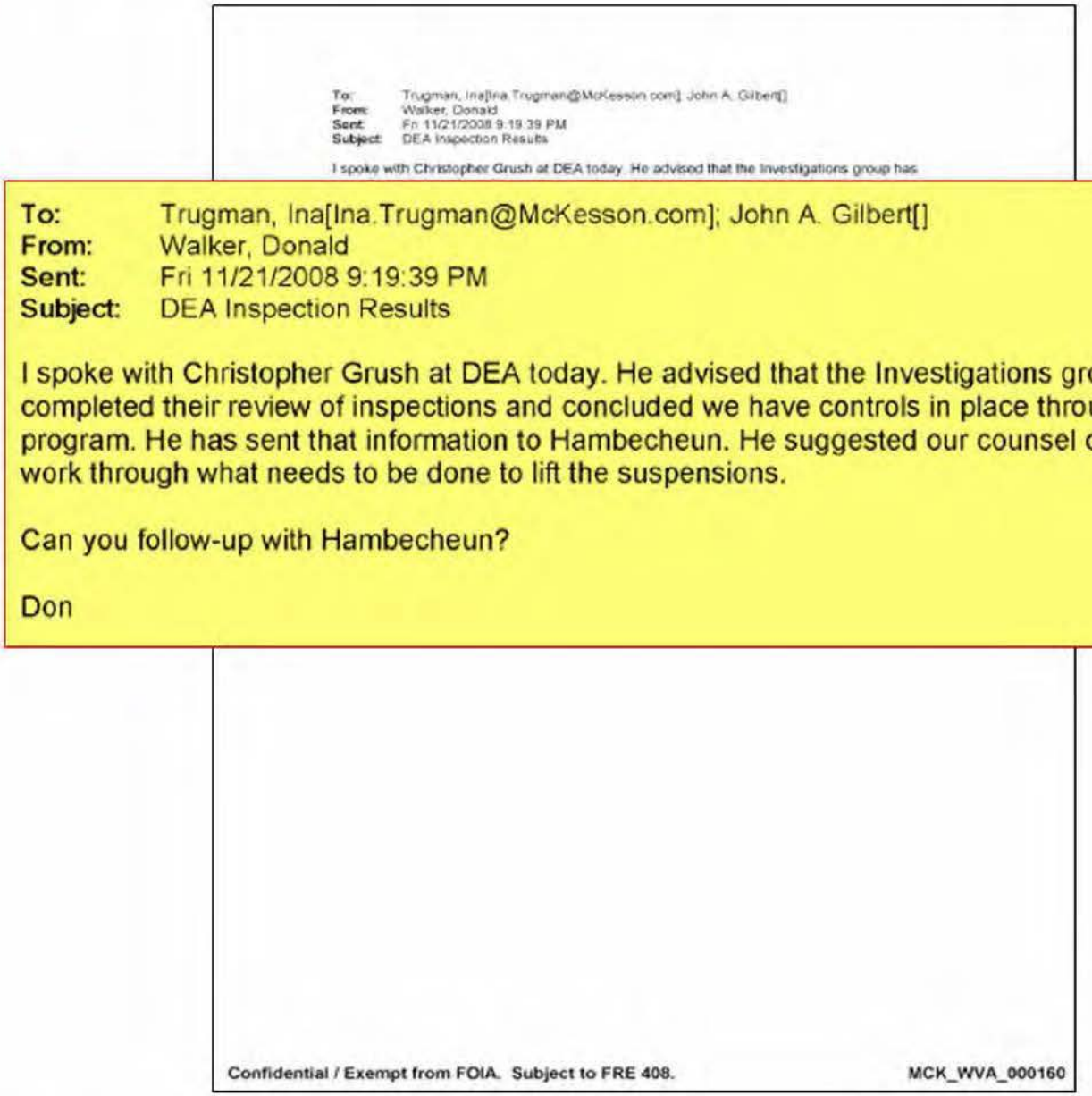
Level III Review

- Escalated to SVP of Distribution and Region SVP
- Any customer escalated to Level III all controlled substances purchases blocked
- Reported to DEA as suspicious
- Review with McKesson Legal
- Provide DEA with data and findings

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

MCKESSON

DEA Inspections of Distribution Centers



To: Trugman, Ina[Ina.Trugman@McKesson.com]; John A. Gilbert[]
From: Walker, Donald
Sent: Fri 11/21/2008 9:19:39 PM
Subject: DEA Inspection Results

I spoke with Christopher Grush at DEA today. He advised that the Investigations group has completed their review of inspections and concluded we have controls in place through our program. He has sent that information to Hambecheun. He suggested our counsel contact Jim to work through what needs to be done to lift the suspensions.

Can you follow-up with Hambecheun?

Don

Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000160

MCKESSON

Reporting Suspicious Customers

To: Wright, Kyle J.[Kyle.J.Wright@usdoj.gov]
From: Walker, Donald
Sent: Wed 2/11/2009 2:42:55 PM
Subject: RE: Suspicious Order

Thanks Kyle. I will direct to Maureen going forward. Did the listing of closed registrants meet your needs?

Don

To: Wright, Kyle J.[Kyle.J.Wright@usdoj.gov]
From: Walker, Donald
Sent: Wed 2/11/2009 2:42:55 PM
Subject: RE: Suspicious Order

Thanks Kyle. I will direct to Maureen going forward. Did the listing of closed registrants meet your needs?

Don

-----Original Message-----
From: Walker, Donald [mailto:Donald.Walker@McKesson.com]
Sent: Friday, February 06, 2009 2:08 PM
To: Wright, Kyle J.
Cc: jgilbert@hpm.com; Trugman, Ina
Subject: Suspicious Order

Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000163

As part of our diligence in Controlled Substance Monitoring Program (CSMP) we have identified a customer with a suspicious order pattern and have ceased selling all controlled substances effective today. This email is to back-up the electronic submission we will make to DEA. This customer recently converted their controlled drug purchases to McKesson after Qualitest ceased distribution.

Modern Drug

Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000164

Continued Development of Electronic Reporting System

- March 4, 2009: McKesson informed DEA that it will only report orders once it determines a customer is suspicious.

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

MCKESSON

Development of Electronic Reporting System

From: Melton, Jenny
Sent: Wednesday, March 04, 2009 8:56 AM
To: Goretsas, Noel D
Cc: Melton, Jenny
Subject: Recap of Suspicious Transaction Report Discussion

The quantity listed on first electronic Suspicious Report sent to DEA was the quantity that was filled. For those two customers Don Walker asked us to report transactions for several days leading up to the date McKesson determined the customer was suspicious and when we stopped doing business with the customer.

Warehouse Management Solutions

415-983-8780 Telephone

916-752-5161 Cell Phone

Jenny.Melton@McKesson.com

From: Melton, Jenny
Sent: Wednesday, March 04, 2009 8:56 AM
To: Goretsas, Noel D
Cc: Melton, Jenny
Subject: Recap of Suspicious Transaction Report Discussion

Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000181

thanks - - jenny

Jenny Melton

McKesson Corporation

Director of Business Projects

Warehouse Management Solutions

415-983-8780 Telephone

916-752-5161 Cell Phone

Jenny.Melton@McKesson.com

Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000182

Continued Development of Electronic Reporting System

- July – December 2009: McKesson coordinated with DEA on the continued development of the electronic reporting system
- May 17, 2010: McKesson rolled out a computer program used to identify omitted orders from suspicious customers for transmission to the DEA
- May 14-25, 2010: McKesson and DEA jointly tested the process for electronically reporting suspicious orders

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

January 26, 2012 Meeting with DEA

- Attendees for McKesson and DEA
  - Don Walker, Ina Trugman and John Gilbert
  - Larry Cote, Barbara Boockholdt and Mary Johnson-Rochee
- Update on the status of the CSMP program
- DEA asserts that McKesson made only two suspicious order reports for Landover during the period from May 2008 through January 2012

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

MCKESSON

Reporting Suspicious Customers

From: Walker, Donald
Sent: Thursday, February 23, 2012 11:52 AM
To: barbara.j.boockholdt@usdoj.gov
Cc: Trugman, Ina; John A. Gilbert, Jr.
Subject: January 26 meeting Follow-up

Follow up items:

1. You indicated that DEA had received only two suspicious order reports from McKesson during the time since our May 2008 settlement agreement. I have attached a summary document that lists customers (registrants) that McKesson identified as suspicious and reported to DEA. I have also identified several potential customers that through our diligence we chose not to conduct business with due to regulatory concerns.

3. I have confirmed that McKesson transmits ARCOS reports monthly.
4. At the close of the meeting we reported to you the systems issue that resulted in archived CSOS C-II orders being released, filled and shipped. We have accounted for all product and either received a Form 222 from the customer or the product was returned to McKesson. We are in the process of conducting and compiling a detailed reconciliation, which when complete will be forwarded to Kyle Wright. We have verbally notified all field offices with responsibility for the impacted distribution centers, and in some instances have provided written notifications per their request.
5. As a result of our discussion, we initiated an updated review of all of chain drug pharmacies and worked with the appropriate representatives to reduce authorized purchase limits on Oxycodone similar to the actions we

Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000230

McKESSON

Reporting Suspicious Customers

Ceased Selling Controls - Reported as Suspicious

Customer Name	DEA #	City	State	Date of Action (enter as mm/dd/yyyy)
Herndon Pharmacy & Medic	FH2358275	Herndon	VA	11/9/11
Accokeek Pharmacy	BA6800216	Accokeek	MD	1/12/12
Family Meds Pharmacy	FF1958719	Waldorf	MD	1/13/12
Lansdowne Pharmacy	FL0306414	Lansdowne	VA	7/15/08
Rockville Pharmacy	FR1486340	Rockville	MD	3/10/10

Ceased Selling Controls - Reported as Suspicious

				Date of Action
Wellcare II	FW1294898	Las Vegas	NV	10/1/11
Castle Hill Drugs, Inc	FC0861345	Bronx	NY	11/8/11
Herndon Pharmacy & Medic	FH2358275	Herndon	VA	11/9/11
Life Pharmacy	FL1001077	New York	NY	1/3/12
Accokeek Pharmacy	BA6800216	Accokeek	MD	1/12/12
Family Meds Pharmacy	FF1958719	Waldorf	MD	1/13/12
Renaissance Pharmacy	FR0704040	Claymont	DE	2/9/09
Northeast Pharmacy	FN0841418	Philadelphia	PA	1/8/00
ATA Pharmacy	FA0689541	Philadelphia	PA	
Just Here Pharmacy	FJ1209724	Philadelphia	PA	
Lansdowne Pharmacy	FL0306414	Lansdowne	VA	7/15/08
Rockville Pharmacy	FR1486340	Rockville	MD	3/10/10
Castle Hill Drugs, Inc	FC0861345	New York	NY	11/8/12

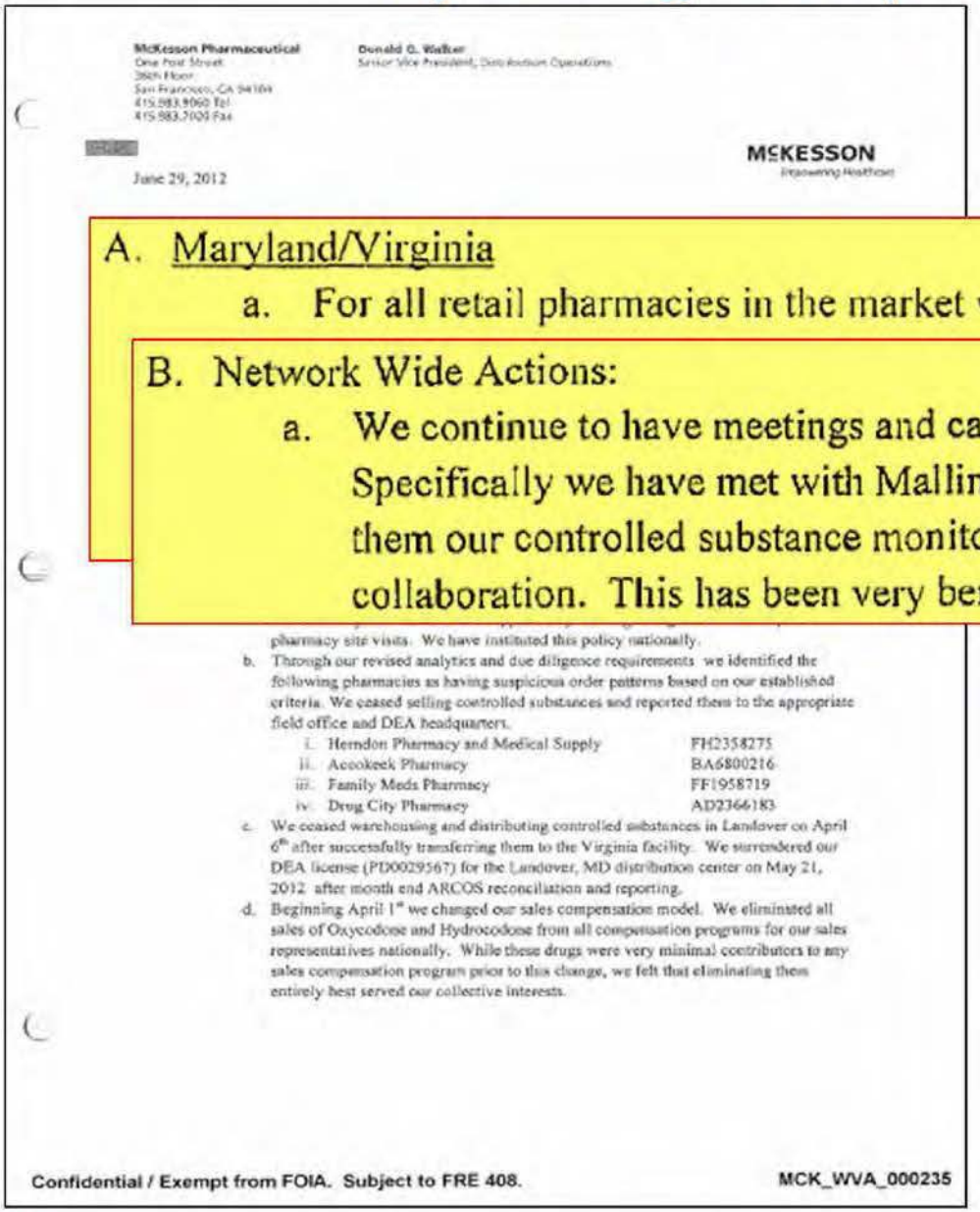
* Customer corrected processes and we resumed selling controlled substances at minimum levels. Local office notified of this action.

Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000232

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

MCKESSON

Reporting Suspicious Customers



McKesson Pharmaceutical
One Post Street
36th Floor
San Francisco, CA 94104
415.983.9060 Tel
415.983.7000 Fax

Donald G. Walker
Senior Vice President, Distribution Operations

June 29, 2012

MCKESSON
Empowering Healthcare

pharmacy site visits. We have instituted this policy nationally.

b. Through our revised analytics and due diligence requirements we identified the following pharmacies as having suspicious order patterns based on our established criteria. We ceased selling controlled substances and reported them to the appropriate field office and DEA headquarters.

i.	Herndon Pharmacy and Medical Supply	FH2358275
ii.	Accokeek Pharmacy	BA6800216
iii.	Family Meds Pharmacy	FF1958719
iv.	Drug City Pharmacy	AD2366183

c. We ceased warehousing and distributing controlled substances in Landover on April 6th after successfully transferring them to the Virginia facility. We surrendered our DEA license (PD0029567) for the Landover, MD distribution center on May 21, 2012 after month end ARCOS reconciliation and reporting.

d. Beginning April 1st we changed our sales compensation model. We eliminated all sales of Oxycodone and Hydrocodone from all compensation programs for our sales representatives nationally. While these drugs were very minimal contributors to any sales compensation program prior to this change, we felt that eliminating them entirely best served our collective interests.

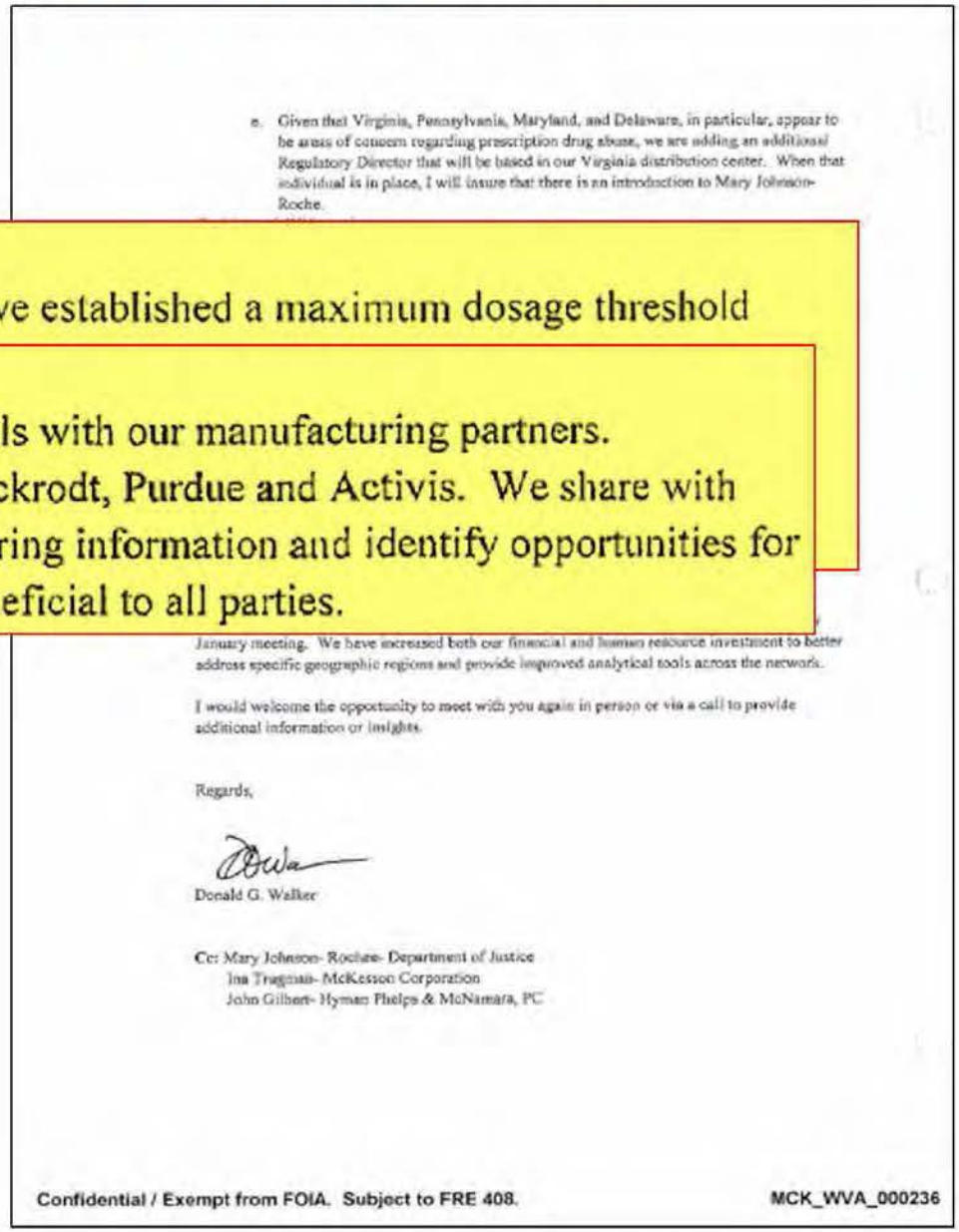
Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000235

A. Maryland/Virginia

a. For all retail pharmacies in the market we established a maximum dosage threshold

B. Network Wide Actions:

a. We continue to have meetings and calls with our manufacturing partners. Specifically we have met with Mallinckrodt, Purdue and Activis. We share with them our controlled substance monitoring information and identify opportunities for collaboration. This has been very beneficial to all parties.



e. Given that Virginia, Pennsylvania, Maryland, and Delaware, in particular, appear to be areas of concern regarding prescription drug abuse, we are adding an additional Regulatory Director that will be based in our Virginia distribution center. When that individual is in place, I will insure that there is an introduction to Mary Johnson-Roche.

January meeting. We have increased both our financial and human resource investment to better address specific geographic regions and provide improved analytical tools across the network.

I would welcome the opportunity to meet with you again in person or via a call to provide additional information or insights.

Regards,

Donald G. Walker

Cc: Mary Johnson- Roche- Department of Justice
Ina Tragman- McKesson Corporation
John Gilbert- Hyman Phelps & McNamara, PC

Confidential / Exempt from FOIA. Subject to FRE 408. MCK_WVA_000236

McKesson's Continuous Commitment to Combat Diversion

- Information exchange with manufacturers of controlled substances
  - Mallinckrodt
  - Purdue
  - Oxy 30mg threshold code
- Involvement in investigators' organizations to obtain information about current trends
- Ongoing efforts to learn more about DEA's experience and perspective

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

Enhanced CSMP Program

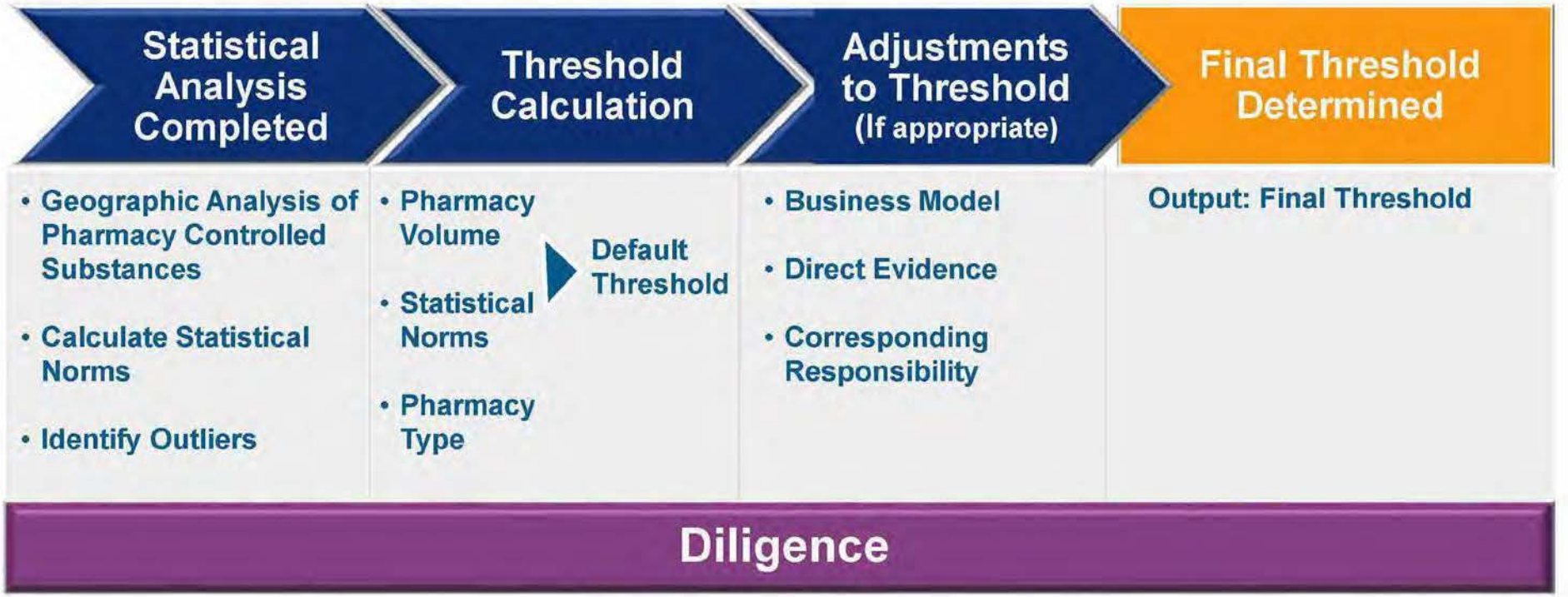
HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

Enhanced CSMP Program

- Retained Larry Cote and Gary Boggs to assist with developing enhanced program
- Enhanced program initiated in June 2013
- Enhancements include:
  - Applied detailed analytics in evaluation of thresholds
  - Reviewed and reset thresholds
  - Reviewed and revised criteria for threshold adjustments
  - Refined suspicious order reporting

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

McKesson CSMP: Analytical Threshold Process



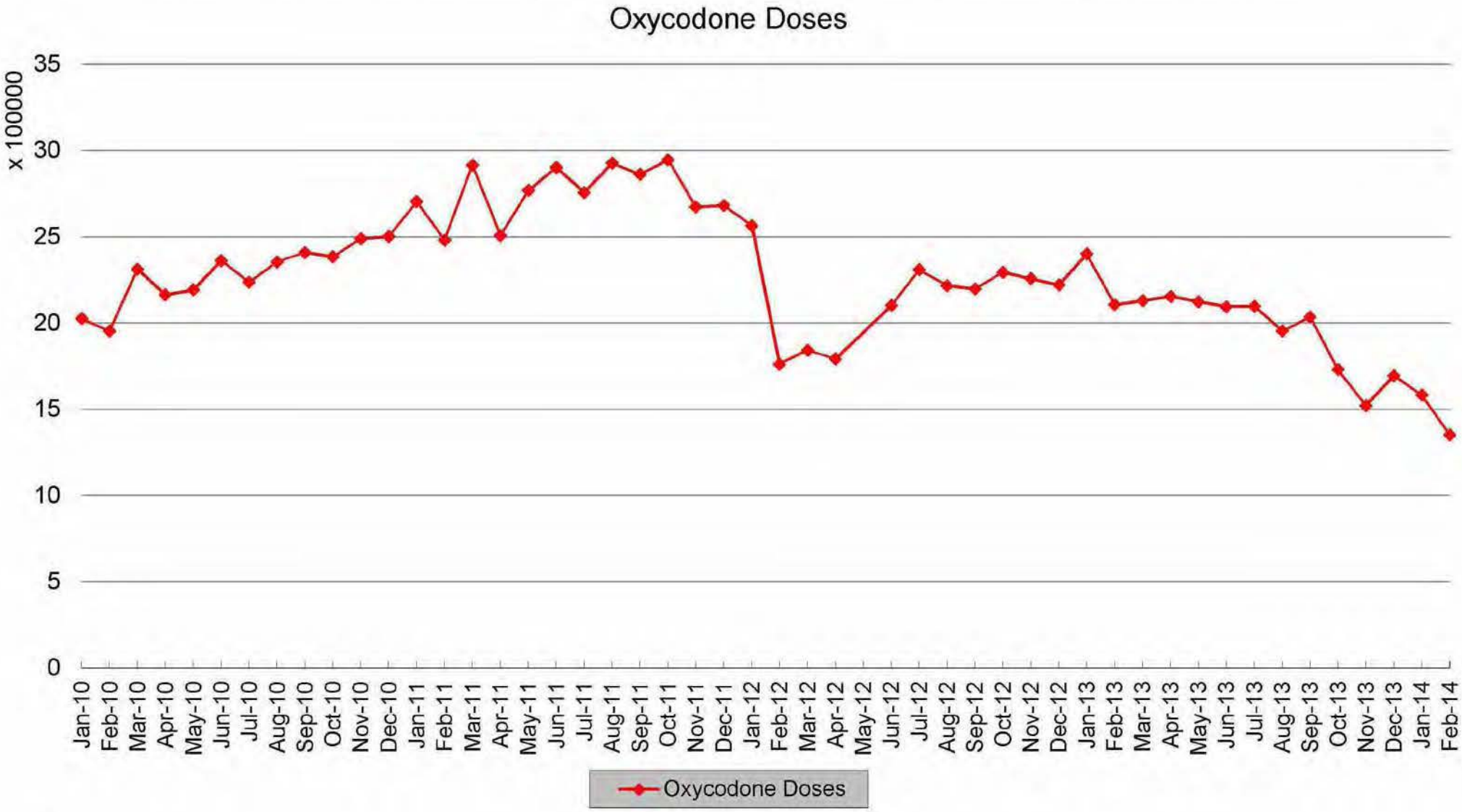
HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

McKesson's Commitment to Combating Diversion

- McKesson is committed to continually improving its systems to help prevent diversion of controlled substances
- McKesson's Controlled Substances Monitoring Program has blocked thousands of orders for controlled substances
- McKesson's Controlled Substances Monitoring Program has reduced the amount of controlled substances shipped to independent pharmacies

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

Landover / Virginia Oxycodone Doses



HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

Case: 1:17-md-02804-DAP Doc #: 2373-18 Filed: 08/14/19 57 of 59. PageID #: 388281

Case: 1:17-md-02804-DAP Doc #: 2373-18 Filed: 08/14/19 58 of 59. PageID #: 388282

Average Monthly Oxycodone Doses/Independent Retail Pharmacy
2010-2014 Landover-Virginia DCs

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER

Next Steps

HIGHLY CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER